

**CRE Logistics REIT, Inc.**  
**Summary of Financial Results (Unaudited)**  
**For the 9th Fiscal Period Ended December 31, 2020**  
**(For the Reporting Period from July 1, 2020 to December 31, 2020)**  
**(Translated from the Japanese original)**

## Corporate Information

Code: 3487 Listing: Tokyo Stock Exchange

(URL: <https://cre-reit.co.jp/en/>)

Representative: Tsuyoshi Ito, Executive Director

Asset management company: CRE REIT Advisers, Inc.  
 Representative: Tsuyoshi Ito, President  
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Scheduled date to file securities report: March 30, 2021  
 Scheduled date to commence payment of distributions: March 19, 2021  
 Preparation of supplementary material on financial results: Yes  
 Financial report presentation meeting: Yes (for institutional investors and analysts)

(Amounts truncated to the nearest million yen, except for the basic earnings per unit)

1. 9th Fiscal Period ended December 31, 2020 (July 1, 2020-December 31, 2020)

(1) Operating results (Percentages represent changes from corresponding period of previous period)

	Operating revenues		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal period ended								
December 31, 2020	2,603	28.2	1,523	32.3	1,299	33.9	1,298	34.0
June 30, 2020	2,030	28.5	1,151	39.0	970	41.2	969	41.3

	Net income per unit	Return on unitholders' equity	Ordinary income to total assets	Ordinary income on operating revenues
Fiscal period ended	Yen	%	%	%
December 31, 2020	3,107	2.8	1.5	49.9
June 30, 2020	2,872	2.9	1.5	47.8

(Note 1) The Investment Corporation issued 88,000 new investment units on January 21, 2020. Net income per unit for the fiscal period ended June 30, 2020 is calculated by dividing net income by the weighted average number of investment units (337,579 units) based on the number of days during the period.

(Note 2) The Investment Corporation issued 72,750 new investment units on July 13, 2020 and 3,500 new investment units on August 12, 2020. Net income per unit for the fiscal period ended December 31, 2020 is calculated by dividing net income by the weighted average number of investment units (417,956 units) based on the number of days during the period.

## (2) Distributions

	Distributions per unit (excluding surplus distributions)	Total distributions (excluding surplus distributions)	Surplus distributions per unit	Total surplus distributions	Distributions per unit (including surplus distributions)	Total distributions (including surplus distributions)	Payout ratio	Distributions to net assets ratio
Fiscal period ended	Yen	Million yen	Yen	Million yen	Yen	Million yen	%	%
December 31, 2020	3,067	1,298	325	137	3,392	1,436	100.0	2.6
June 30, 2020	2,792	969	294	102	3,086	1,071	100.0	2.5

(Note 1) The entire amount of total surplus distributions is the return of contributions that falls under the distribution associated with the investment decrease for tax purposes.

(Note 2) The percentage of decreased surplus as a result of surplus distributions (the return of contributions that falls under the distribution associated with the investment decrease for tax purposes) in the fiscal period ended June 30, 2020 and the fiscal period ended December 31, 2020 was 0.003, respectively. The calculation of the percentage of decreased surplus is based on Article 23, Paragraph 1, Item 4 of the Order for Enforcement of the Corporation Tax Act.

(Note 3) The payout ratio in the fiscal period ended June 30, 2020 and the fiscal period ended December 31, 2020 is calculated based on the following formula because the Investment Corporation issued new investment units.

Payout ratio = Total amount of distributions (excluding surplus distributions) ÷ Net income × 100

### (3) Financial position

	Total assets	Net assets	Unitholders' equity ratio	Net assets per unit
As of	Million yen	Million yen	%	Yen
December 31, 2020	97,111	51,140	52.7	120,757
June 30, 2020	77,736	40,048	51.5	115,329

### (4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the fiscal period
Fiscal period ended	Million yen	Million yen	Million yen	Million yen
December 31, 2020	1,412	(18,143)	17,710	3,871
June 30, 2020	1,297	(20,084)	20,320	2,892

2. Forecast for the 10th Fiscal Period ending June 2021 (January 1, 2021-June 30, 2021) and the 11th Fiscal Period ending December 2021 (July 1, 2021-December 31, 2021) (Percentages represent changes from corresponding period of previous period)

Fiscal period ending	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (including surplus distributions)	Distributions per unit (excluding surplus distributions)	Surplus distributions per unit
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen	Yen
June 30, 2021	3,155	21.2	1,789	17.5	1,510	16.2	1,509	16.2	3,374	3,018	356
December 31, 2021	3,217	2.0	1,828	2.2	1,584	4.9	1,583	4.9	3,504	3,166	338

(Reference) Forecast net income per unit (Forecast net income/ Forecast number of investment units at the end of the fiscal period) for the 10th Fiscal Period ending June 2021 is 3,018 yen and forecast net income per unit for the 11th Fiscal Period ending December 2021 is 3,166 yen.

#### \* Other

##### (1) Changes in accounting policies, changes in accounting estimates and retrospective restatements

1. Changes in accounting policies associated with revision of accounting standards, etc.: None
2. Changes in accounting policies associated with other than 1: None
3. Changes in accounting estimates: None
4. Restatements: None

##### (2) Total number of investment units issued and outstanding

1. Total number of investment units issued and outstanding at the end of the fiscal period (including treasury investment units)	As of December 31, 2020	423,500 units	As of June 30, 2020	347,250 units
2. Total number of treasury investment units at the end of the fiscal period	As of December 31, 2020	0 units	As of June 30, 2020	0 units

\* Summary of financial results is not inside the scope of audit procedure by certified public accountants or audit corporations.

#### \* Remarks on appropriate use of forecasts of performance and other special notes

Forward-looking statements presented in this financial results, including forecasts of performance, are based on information currently available to the Investment Corporation and on certain assumptions the Investment Corporation deems to be reasonable. As such, actual operating and other results may differ materially from these forecasts as a consequence of various factors. Moreover, the forecasts set forth herein should not be construed as a guarantee of distribution amounts.

Refer to the section on "Assumptions for Operating Forecasts for the 10th Fiscal Period ending June 2021 (January 1, 2021-June 30, 2021) and the 11th Fiscal Period ending December 2021 (July 1, 2021-December 31, 2021)" for details on the underlying assumptions for the forecasts above.

Assumptions for Operating Forecasts for the 10th Fiscal Period ending June 2021 (January 1, 2021-June 30, 2021) and the 11th Fiscal Period ending December 2021 (July 1, 2021-December 31, 2021)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>- 10th Fiscal Period (Ending June 30, 2021): January 1, 2021-June 30, 2021 (181 days)</li> <li>- 11th Fiscal Period (Ending December 31, 2021): July 1, 2021-December 31, 2021 (184 days)</li> </ul>
Assets under management	<ul style="list-style-type: none"> <li>- The investment corporation possesses the trust beneficial interests in real estate in a total of 19 properties (hereinafter referred to as “assets currently held”)—16 properties held as of December 31,2020 (hereinafter referred to as “acquired assets before the fiscal period ended December 31, 2020”) and three properties acquired on January 19, 2021 (hereinafter referred to as “acquired assets for the fiscal period ending June 30, 2021”).The operating forecasts herein are based on the assumption that the investment corporation will continue to possess these properties until December 31, 2021, as well as the assumption that there will be no fluctuations in the trust beneficial interests in real estate (including newly acquired properties and the disposal of currently-held assets).</li> <li>- However, there is a possibility that fluctuations in the portfolio will occur due to factors including the new acquisition of properties or the disposal of assets currently held.</li> </ul>
Operating revenues	<ul style="list-style-type: none"> <li>- Real estate lease business revenues are calculated based on leasing contracts that are effective as of the date of submission of this financial results and actual performance in the past. The lease contract will expire in one property during the fiscal period ending June 30, 2021, in other hand, we have agreed to conclude a new lease agreement with the tenant occupying the property, and the rent in such agreement is assumed. No lease contract will expire during the fiscal period ending December 31,2021, and all lease contracts will be concluded at a fixed rent.</li> <li>- The forecasts assume there are no delinquencies or default on rental payments by tenants.</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>- Expenses other than depreciation that fall under the category of real estate leasing expenses, which is the investment corporation’s main operating expenses, are actual expenses incurred on acquired assets before the fiscal period ended December 31, 2020. Regarding those acquired assets for the fiscal period ending June 30, 2021, expenses were forecast reflecting variables, including forecast costs (including taxes and public dues, property management fees, fire insurance expenses, repair expenses) based on information obtained from the previous owner, or the beneficiary who previously held the trust beneficiary interests.</li> <li>- Property tax and city planning tax, etc. for acquired assets before the fiscal period ended December 31, 2020 are expected to total 266 million yen in the fiscal period ending June 30, 2021 and 266 million yen in the fiscal period ending December 31, 2021.</li> <li>- In addition, when real estate is purchased, property tax and city planning tax, etc. are calculated and divided up on a pro-rated basis for calendar year with the previous beneficiary of trust interests. The investment corporation incorporates this amount into the acquisition cost of the property. In light of this, property tax and city planning tax, etc. on acquired assets for the fiscal period ending June 30, 2021 are not posted in the 10th Fiscal Period and 11th Fiscal Period, but will be posted as property tax and city planning tax, etc. in the 12th Fiscal Periods. In the event that the property tax and city planning tax, etc. on acquired assets for the fiscal period ending June 30, 2021 were posted as expense, the amount is estimated at 59 million yen for each six-month period starting from the 12th Fiscal Period. Note that the total amount of property tax and city planning tax, etc. to be incorporated into the acquisition cost for the acquired assets for the fiscal period ending June 30, 2021 is estimated at 107 million yen.</li> <li>- Depreciation is based on the straight-line method. Depreciation is forecast to be 563 million yen in the fiscal period ending June 30, 2021 and 564 million yen in the fiscal period ending December 31, 2021.</li> <li>- Property management fees are expected to be 158 million yen in the fiscal period ending June 30, 2021 and 161 million yen in the fiscal period ending December 31, 2021.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>- Non-operating expenses for the 10th Fiscal Period are expected to total 278 million yen. Of this, it is estimated that 245 million yen is for interest expenses and other financial related costs, 10 million yen is for costs related to offerings new investment units, 13 million yen is for depreciation of investment unit issuance costs, and 5 million yen is for depreciation of founding costs.</li> <li>- Non-operating expenses for the 11th Fiscal Period are expected to total 244 million yen. Of this, it is estimated that 229 million yen is for interest expenses and other financial related costs, and 12 million yen is for depreciation of investment unit issuance costs.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>- The total interest-bearing debt at the end of each fiscal period is as follows: 53,569 million yen as of June 30, 2021, and 52,369 million yen as of December 31, 2021.</li> <li>- It is assumed that the investment corporation refinance 3,274 million yen to repay 3,574 million yen which mature on July 30, 2021 in the fiscal period ending December 31, 2021.</li> </ul>

	<ul style="list-style-type: none"> <li>- It is assumed that of the long-term borrowings made on January 19, 2021, 900 million yen with a borrowing period of 1.0 year will be prepaid in the fiscal period ending December 31, 2021, using the consumption tax refund, etc. as the source of funding for the prepayment.</li> <li>- The LTV is expected to be around 45.3% as of June 30, 2021, and about 44.7% as of December 31, 2021. The following equation was used to calculate LTV. The figure is rounded to the second decimal point. LTV = Interest-bearing debt / Total Assets x 100</li> </ul>
Investment units	<ul style="list-style-type: none"> <li>- The assumptions for these forecasts are based on a total number of investment units issued of 500,150, as of the submission of these financial results. The forecasts do not factor in any assumption of a change in the number of investment units through December 31, 2021 due to factors such as the issuance of new investment units.</li> <li>- The distributions per unit (excluding surplus distributions) and the surplus distributions per unit are calculated based on a total number of investment units issued of 500,150 for the fiscal period ending June 30, 2021 and the fiscal period ending December 31, 2021.</li> </ul>
Distributions per unit (excluding surplus distributions)	<ul style="list-style-type: none"> <li>- The distributions per unit (excluding surplus distributions) is calculated based on the assumption that distributions are carried out in accordance with the policies for monetary distributions set forth in the regulations of the investment corporation.</li> <li>- There is a possibility that the amount of the distributions per unit (excluding surplus distributions) could change owing to various factors, including changes in rental income, or unexpected maintenance work due to a change in assets under management or a change in tenants.</li> </ul>
Distributions per unit of surplus profit	<ul style="list-style-type: none"> <li>- The surplus distributions per unit is calculated in accordance with the policy stipulated in the operational guidelines—the regulations of the investment corporation and the internal regulations of the asset management company.</li> <li>- These assumptions do not include any specific possibility of a substantial deterioration in the economic climate, real estate market or the financial condition of the investment corporation.</li> <li>- While the investment corporation has a policy of implementing surplus distribution every term with an amount equivalent to 30% of depreciation as a benchmark, the investment corporation has decided to implement this policy flexibly to equalize distributions within the range equivalent to 30% of depreciation.</li> <li>- Moreover, in the event that the distributions per unit is expected to temporarily fall below a certain level due to dilution in the value of the investment unit or a considerable financial burden owing to the procurement of capital through the issuance of new investment units or other factors, the investment corporation may continue to distribute surplus profit plus a one-off distribution that exceeds the profit level in the period for the purpose of maintaining the ordinary level of the distributions per unit. However, this amount, which includes the ongoing surplus distribution, shall not exceed the equivalent to 60% of total depreciation for the relevant business period.</li> <li>- In actuality, the amount of distributions exceeding profit (return of contributions) is likely to fluctuate due to changes in the economic climate, real estate market trends, asset portfolio, and financial position, and there is a possibility the investment corporation will not implement distributions (return of contributions) in surplus distributions for the period.</li> </ul>
Other	<ul style="list-style-type: none"> <li>- The forecasts were built based on the assumption that there will be no revisions to laws and ordinances, the tax system, accounting standards, listing regulations set forth by the Tokyo Stock Exchange, Inc., and the regulations stipulated by the Investment Trusts Association, Japan, that would have an impact on the forecasts stated above.</li> <li>- The forecasts are also based on the assumption that there will be no unexpected major changes to general economic trends and the real estate market.</li> </ul>

3. Financial Statements  
(1) Balance Sheet

(Thousands of yen)

	As of June 30, 2020	As of December 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	2,232,080	2,972,453
Cash and deposits in trust	1,786,401	2,370,899
Operating accounts receivable	103,193	150,615
Prepaid expenses	107,712	126,459
Consumption taxes receivable	526,229	845,221
Total current assets	4,755,617	6,465,650
Non-current assets		
Property, plant and equipment		
Buildings in trust	37,879,973	47,303,072
Accumulated depreciation	(1,778,799)	(2,219,314)
Buildings in trust, net	36,101,174	45,083,758
Structures in trust	1,952,901	2,546,706
Accumulated depreciation	(66,218)	(85,121)
Structures in trust, net	1,886,682	2,461,585
Tools, furniture and fixtures in trust	682	682
Accumulated depreciation	(244)	(305)
Tools, furniture and fixtures in trust, net	438	377
Land in trust	34,610,101	42,707,322
Construction in progress in trust	63,350	-
Total property, plant and equipment	72,661,746	90,253,043
Intangible assets		
Other	2,066	1,666
Total intangible assets	2,066	1,666
Investments and other assets		
Investment securities	10,500	10,500
Long-term prepaid expenses	253,258	316,581
Deferred tax assets	13	12
Leasehold and guarantee deposits	10,000	10,000
Total investments and other assets	273,772	337,093
Total non-current assets	72,937,585	90,591,804
Deferred assets		
Organization expenses	11,104	5,047
Investment unit issuance expenses	32,417	36,413
Investment corporation bond issuance costs	-	12,792
Total deferred assets	43,522	54,253
Total assets	77,736,725	97,111,707

(Thousands of yen)

	As of June 30, 2020	As of December 31, 2020
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	184,515	130,116
Current portion of long-term borrowings	3,700,000	3,574,000
Accrued expenses	170,751	219,985
Income taxes payable	890	858
Advances received	383,430	473,494
Other	67,549	5,814
Total current liabilities	4,507,138	4,404,270
Non-current liabilities		
Investment corporation bonds	-	2,000,000
Long-term borrowings	32,019,000	38,095,000
Leasehold and guarantee deposits received in trust	1,162,379	1,471,842
Total non-current liabilities	33,181,379	41,566,842
Total liabilities	37,688,517	45,971,112
Net assets		
Unitholders' equity		
Unitholders' capital	39,420,558	50,285,726
Deduction from unitholders' capital	(341,956)	(444,048)
Unitholders' capital, net	39,078,601	49,841,677
Surplus		
Unappropriated retained earnings (undisposed loss)	969,606	1,298,917
Total surplus	969,606	1,298,917
Total unitholders' equity	40,048,208	51,140,595
Total net assets	40,048,208	51,140,595
Total liabilities and net assets	77,736,725	97,111,707

## (2) Statements of Income

(Thousands of yen)

	Fiscal period ended June 30, 2020	Fiscal period ended December 31, 2020
Operating revenue		
Leasing business revenue	2,001,134	2,555,517
Other leasing business revenue	29,419	48,147
Gain on sales of real estate properties	-	295
Total operating revenue	2,030,554	2,603,960
Operating expenses		
Expenses related to leasing business	662,830	802,053
Asset management fee	176,310	230,211
Asset custody fee	1,763	2,285
Administrative service fees	12,230	15,234
Remuneration for directors (and other officers)	4,500	4,500
Other operating expenses	21,552	25,933
Total operating expenses	879,187	1,080,218
Operating profit	1,151,366	1,523,742
Non-operating income		
Interest income	14	17
Interest on tax refund	717	530
Total non-operating income	732	547
Non-operating expenses		
Interest expenses	89,884	117,539
Interest expenses on investment corporation bonds	-	3,339
Borrowing related expenses	58,741	67,795
Amortization of organization expenses	6,056	6,056
Amortization of investment unit issuance expenses	11,352	14,422
Amortization of investment corporation bond issuance costs	-	913
Other	15,627	14,525
Total non-operating expenses	181,663	224,593
Ordinary profit	970,436	1,299,696
Profit before income taxes	970,436	1,299,696
Income taxes - current	892	861
Income taxes - deferred	0	1
Total income taxes	892	863
Profit	969,543	1,298,833
Retained earnings brought forward	62	84
Unappropriated retained earnings (undisposed loss)	969,606	1,298,917

(3) Statements of Changes in Net Assets  
Fiscal period ended June 30, 2020

(Thousands of yen)

	Unitholders' equity						Total net assets
	Unitholders' capital			Surplus		Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	27,302,166	(247,330)	27,054,836	686,297	686,297	27,741,133	27,741,133
Changes during period							
Issuance of new investment units	12,118,392		12,118,392			12,118,392	12,118,392
Distributions in excess of earnings		(94,626)	(94,626)			(94,626)	(94,626)
Dividends of surplus				(686,234)	(686,234)	(686,234)	(686,234)
Profit				969,543	969,543	969,543	969,543
Total changes during period	12,118,392	(94,626)	12,023,765	283,309	283,309	12,307,074	12,307,074
Balance at end of period	39,420,558	(341,956)	39,078,601	969,606	969,606	40,048,208	40,048,208

Fiscal period ended December 31, 2020

(Thousands of yen)

	Unitholders' equity						Total net assets
	Unitholders' capital			Surplus		Total unitholders' equity	
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of period	39,420,558	(341,956)	39,078,601	969,606	969,606	40,048,208	40,048,208
Changes during period							
Issuance of new investment units	10,865,167		10,865,167			10,865,167	10,865,167
Distributions in excess of earnings		(102,091)	(102,091)			(102,091)	(102,091)
Dividends of surplus				(969,522)	(969,522)	(969,522)	(969,522)
Profit				1,298,833	1,298,833	1,298,833	1,298,833
Total changes during period	10,865,167	(102,091)	10,763,076	329,311	329,311	11,092,387	11,092,387
Balance at end of period	50,285,726	(444,048)	49,841,677	1,298,917	1,298,917	51,140,595	51,140,595



## (4) Statements of Cash Flows

(Thousands of yen)

	Fiscal period ended June 30, 2020	Fiscal period ended December 31, 2020
<b>Cash flows from operating activities</b>		
Profit before income taxes	970,436	1,299,696
Depreciation	363,669	459,879
Amortization of deferred organization expenses	6,056	6,056
Amortization of investment unit issuance expenses	11,352	14,422
Amortization of investment corporation bond issuance costs	—	913
Interest income	(14)	(17)
Interest expenses	89,884	120,879
Decrease (increase) in operating accounts receivable	(1,385)	(47,422)
Decrease (increase) in consumption taxes refund receivable	(286,473)	(318,991)
Decrease (increase) in prepaid expenses	(13,162)	(18,747)
Increase (decrease) in operating accounts payable	85,884	(54,399)
Increase (decrease) in accrued expenses	39,688	37,771
Increase (decrease) in advances received	98,284	90,064
Decrease (increase) in long-term prepaid expenses	(47,345)	(63,322)
Decrease in property, plant and equipment in trust due to sale	—	56,792
Other, net	62,253	(61,070)
Subtotal	1,379,129	1,522,505
Interest received	14	17
Interest paid	(80,772)	(109,417)
Income taxes paid	(874)	(893)
Net cash provided by (used in) operating activities	1,297,497	1,412,212
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment in trust	(19,868,220)	(18,107,569)
Proceeds from leasehold and guarantee deposits received in trust	173,168	309,463
Payments into restricted deposits	(389,110)	(345,394)
Net cash provided by (used in) investing activities	(20,084,161)	(18,143,500)
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	—	1,750,000
Repayments of short-term borrowings	—	(1,750,000)
Proceeds from long-term borrowings	9,000,000	9,900,000
Repayments of long-term borrowings	—	(3,950,000)
Proceeds from issuance of investment corporation bonds	—	1,986,293
Proceeds from issuance of investment units	12,100,768	10,846,749
Distributions paid	(780,165)	(1,072,277)
Net cash provided by (used in) financing activities	20,320,602	17,710,765
Net increase (decrease) in cash and cash equivalents	1,533,938	979,476
Cash and cash equivalents at beginning of period	1,358,094	2,892,033
Cash and cash equivalents at end of period	2,892,033	3,871,510